

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE UTILITIES CORPORATION)
FOR APPROVAL OF ITS TARIFF FOR) PSC DOCKET NO. 21-0007
BAY FOREST COMMUNITY (FILED)
JANUARY 6, 2021))

ORDER NO. 9731

AND NOW, this 27th day of January 2021, the Delaware Public Service Commission (“Commission”) determines and orders the following:

WHEREAS, on June 17, 2020 the Commission approved an uncontested settlement agreement in Docket No. 19-0529 that allowed Chesapeake Utilities Corporation (“Chesapeake” or the “Company”) to acquire propane community gas systems (“CGSs”) owned by the Company’s affiliate, Sharp Energy, Inc.; and

WHEREAS, on December 9, 2020, Chesapeake submitted a compliance filing under Docket No. 19-0529, seeking to establish a levelized five-year CGS surcharge for the Bay Forest Community as well as modifications to its tariff to reflect the CGS surcharge; and

WHEREAS, on January 6, 2021, at the request of Commission Staff, Chesapeake filed with the Commission as a new docket the above-captioned application (the “Application”), estimated costs, and First Revised Tariff Sheet No. 45.5 seeking approval of its tariff for Bay Forest Community; and

WHEREAS, Chesapeake estimates the conversion costs for Bay Forest’s CGS to be \$4,099,604 and will not be subsidized by the Company’s existing customers. Bay Forest Community will be assessed a levelized 5-year surcharge in the amount of \$0.2592 per CCF, effective January 25, 2021. One year after conversion is completed, the Company will adjust the

surcharge to reflect actual conversion costs incurred. After the expiration of the 5-year period, the surcharge will be removed during the Company's annual rate class review period.

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. That Chesapeake's request to establish a levelized five-year CGS surcharge for the Bay Forest Community in the amount of \$0.2592 effective January 25, 2021 is granted.
2. That one year after all conversions in the Bay Forest Community are completed, Chesapeake shall adjust the CGS surcharge based on actual conversion costs.
3. That after the expiration of the 5-year period, the CGS surcharge will be removed during Chesapeake's annual rate class review period.
4. That Chesapeake's proposed modifications to its tariff as outlined in Exhibit C of the Application are approved.
5. That the Commission retains the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Dallas Winslow, Chairman

Joann Conaway, Commissioner

Harold Gray, Commissioner

Manubhai "Mike" Karia, Commissioner

Kim F. Drexler, Commissioner

ATTEST:

Donna Nickerson, Secretary

